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## THE NEW HORIZONS FOR RURAL AMERICA

June 15, 1965

Annual Conf

President Johnson, in his message to Congress on February 4, 1965, pledged energetic action to insure that full equality of opportunity is made available to all the people who live in rural America. In the same message, the President announced the formation of the Rural Community Development Service, with the President's charge to carry out that pledge.

Today's economy in the United States is in the course of the longest period of continuous prosperity in our history. Month after month, new records are being set in the volume of wealth being produced. Most Americans are enjoying the highest standard of living in their lives, and look forward with confidence to continuing progress.

But there are millions of Americans -- one fifth of our people -- who have not shared in the abundance that has been granted to most of us.

Rural America contains nearly one-half of these people who do not share in our prosperity. They live among the 30 percent of our total population who live on farms, in the open countryside, and in small towns under 2,500 population. Forty-seven percent of the Nation's poverty exists in these rural communities.

Very few farm families earn returns on their investment and from their skills and labor comparable to the returns received in other sectors of the economy.

Gross farm income reached an all-time high in 1964. Net farm income was higher last year than in 1963, and it has been higher in each of the past four years than in 1960.

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Speech presented by Robert G. Lewis, Administrator, Rural Community Development Service, at REA Annual Field Conference, St. Louis, Missouri, June 15, 1965.





Yet the disposable income per person of the farm population in 1964 was only about 60 percent of the average received by the non-farm population.

Fewer than 400,000 farmers earn a wage for their labor comparable to that of a skilled industrial wage-earner, \$2.46 per hour; and as much as 5 percent return on their investment.

There are between two and three million farmers who receive less than a 5 percent return on their investment and the national minimum hourly wage of \$1.25 per hour. In 1960, there were 1,600,000 farm families living in outright poverty, with family incomes below \$3,000 per year.

Not all of the rural poor people are farmers. Three-fourths of the people who live in rural America neither live nor work on farms. They include former coal miners in Appalachia, Illinois, and Iowa; timber workers and iron and copper miners in the Upper Great Lakes region; and many others in every rural county in every state in the Nation. In 1960, there were 2,800,000 rural non-farm families living in poverty.

Let me illustrate the opportunity gap between urban and rural areas by reference to a single field of Federal activity -- housing. The proportion of substandard and deteriorating housing is twice as high in rural America as in our metropolitan areas. Almost half the people who live in bad housing in this country are rural people, although they comprise only 30 percent of the population. Yet, despite this heavy concentration of need in the rural areas, the Federal Government since 1950 through the Federal Housing Administration insurance programs alone has helped to build more than three dozen new houses in the cities and their suburbs for each single one that has been built with the assistance of the Farmers Home Administration in rural communities.





Or consider the Manpower Development and Training Program, administered by the Department of Labor. Its purpose is to provide specific and intensive training in job skills. Certainly such a program is needed urgently in rural areas -- where regular educational opportunities all too often have been far below par.

The RCDS staff has just completed a series of representative spot-checks on the actual training programs conducted under the Manpower Development and Training Program during the past year. We examined the number and proportion of the training projects conducted in rural areas, or towns and cities under 10,000 population -- where 46 percent of the Nation's people live.

We found that only 3.4 percent of the training projects were conducted in these rural areas and small towns!

And we found that only 3.1 percent of the total number of trainees who participated were in the rural and small-town projects!

Similar disparities in service, although not to the same degree, can be found in education, in employment counseling, in youth employment, in health services, in community facilities, in industrial development, in anti-poverty programs, and many other Federal programs.

Why is this?

The Federal agencies want to extend their services into rural areas. What they have lacked is the administrative means of dealing with widely-scattered rural residents and the tens of thousands of rural communities.

Remember, Federal agencies cannot impose their programs on the rural people or the local communities. The rural people must, (1) learn about the program, (2) decide locally how they can make use of it, and (3) submit an application in a form that can be considered by the agency.





This may sound simple. But in fact, the problem is enormously complex. To acquaint rural leaders all over America with the specific benefits available in the numerous and constantly-changing Federal programs requires a gigantic job of technical assistance.

Obviously, each agency cannot have an office in every rural county. The answer, as the President's message makes clear, is that the Department of Agriculture, which does have one or more offices in every rural county, must somehow help the other agencies to reach these rural people.

The central responsibility for coordinating the entire "outreach" function has been assigned to the Rural Community Development Service.

Through the new and unprecedented "outreach function," the Department of Agriculture will cooperate with other Departments and agencies of the Federal Government in helping them to perform their official administrative duties and meeting their responsibilities to serve people even in the most remote of rural communities.

I will attempt to describe, in a brief and general way, the long-range plans which we propose to perform this new function.

First, through systematic and continuous consultation, RCDS and each Federal agency administering a service needed by rural people will define those services that are applicable to rural problems.

Next, the two agencies will determine the specific steps that need to be taken in the field to assure that rural people will have fully equal access to those services.

These steps, insofar as the USDA is concerned, might amount to no more than furnishing information about what service is available and how and where to apply, or they might extend to providing technical assistance in the



preparation and submission of applications. USDA might even take the responsibility for completion of the preliminary stages of processing applications originating in rural areas.

Third, RCDS will analyze the nature of the service and the particular obstacles that stand in the way of its extension to rural areas, in order to determine the most suitable administrative means for the USDA to assist the agency concerned to extend its "outreach."

And finally, a regular operating agency of USDA with offices in the field will be assigned by the Secretary to take responsibility for performing those steps that are needed in order for each Federal program to be effectively used by rural people. For example, in the case of lending programs, it might be the Farmers Home Administration, as the Department's general purpose lending agency, which would be assigned by the Secretary to take responsibility. In other cases, SCS or ASCS might participate.

I want to emphasize that the Department of Agriculture will in no way intrude upon the responsibility and authority of the other agencies of the Government to carry out their programs in accordance with law and their own administrative discretion. The aim of USDA's "outreach service" will be simply to give service -- just what the President in his message to Congress called for from the Secretary of Agriculture:

"...to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas."

When the "outreach service" is in full operation, every agency of the Federal Government responsible for a program or service for which rural





people are eligible, will be able to utilize USDA field offices located in practically every county in the Nation in order to reach even the most remote rural resident.

The new emphasis and improved capability that is being brought to bear upon the problems of rural communities would remedy some of the serious weaknesses of the present effort.

The Rural Areas Development Committees, composed of volunteer citizen leaders, are seriously handicapped by their lack of full-time professional staffs. They have only limited time to absorb or to accumulate specific "know-how" about the availability, potential usefulness, and required procedures for obtaining Federal assistance. They have particular difficulty in contending with the technicalities of programs, in keeping abreast of changes in program provisions and benefits, and providing continuity to the local development effort.

We expect that the new approach in three principal ways will increase the effectiveness of our efforts to help rural people:

First, our aim is to provide "one-stop service" to rural people who are seeking help from their Federal Government.

"One-stop service" to the rural citizen and community leader will mean, first, that the Department of Agriculture will take the responsibility for finding out what Federal service is available to help him cope with his problem, and secondly, for giving him, right in his home county, advice as to the procedure that is necessary in order for his application to receive fair consideration. It will be USDA's goal, in short, to spare the rural citizen and community leader the kind of frustrating "run around" he sometimes encounters because no agency that he calls on is fully responsible for all





parts of his problem. It will give him professional assistance in coping with "government red tape" such as urban citizens and urban community leaders usually can get from their paid staffs of specialists and experts.

In line with our "one-stop service" goal, we propose to establish six small staffs of specialists in Washington, each of which will be responsible for a specific "problem area." Each staff will be responsible for the consultations and liaison with the authorities in charge of all the government programs that have a bearing on its assigned "problem area." In this way, information and "know-how" about all the government programs and assistance that is available for dealing with water and sewer facilities needs, for example, will be assembled and coordinated in one place. If a rural leader wants to find out what he should do about his community's specific water and sewer problem, the USDA through RCDS, will be responsible for helping him find the program, or combination of programs, that best fits his needs -- whether it comes from the USDA's own Farmers Home Administration, the Housing and Home Finance Agency, Area Redevelopment Administration (or its successor) or the Department of Defense (Corps of Engineers).

The six proposed staffs will be assigned to the following general problem areas: Housing and Community Facilities; Jobs Development; Schools, Education, and Training; Economic Opportunity, Health and Welfare; Natural Resources Conservation and Development; and Family Farm Development.



Second, RCDS will "follow up" and expedite the processing and consideration of applications for assistance from rural communities.

This will be carried out through informal liaison between RCDS and the responsible agency. Its purpose will be to clear up questions or technicalities in the rural applications so as to achieve treatment of applications from rural sources equal to that accorded to those from urban communities having the assistance of their own paid professional staffs.

Third, the Department of Agriculture will be more able to plan for better coordinated and more comprehensive solutions to the problems of rural residents and rural communities.

This will result in an immediate convenience to the rural resident or community leader. He will be able to identify the government services he needs simply by describing the problem he has recognized, instead of being confronted with an array of seemingly disconnected agencies, each dealing in a fragmentary way with the problem.

We propose to develop plans for "packages of programs" which will combine services originating from the various agencies of USDA as well as other branches of the Federal Government. These services would be coordinated in such a way as to deal in a comprehensive manner with problems of the rural citizen or the rural community.

In this way, a variety of programs can be linked together so as to reinforce each other, and enlarge the total impact upon the citizen's problems.

As an illustration of what we have in mind, I would like to describe in a very general way some of the ideas that are in the formative stage in RCDS:

1. A "Retiring Farmers' Program." We believe it might be possible to combine a number of existing government services, and to initiate activities





under existing authorities, to develop a program for retiring farmers that might as much as double the amount of retirement income available for some farm couples above what they might expect unless the proposed special services and guidance are provided.

The Social Security program, which is now available to self-employed farmers, and which now incorporates the new "medicare" provisions, would provide the basic foundation of this retirement system. It would be possible to reinforce and enlarge this basic source of old-age security in a number of ways, including:

Special counselling services, which are available from the Social Security Administration, but which now reach rural residents only very rarely, and give inadequate attention to the special problems and opportunities that often arise in the case of retiring farmers;

Guidance in making advantageous arrangements for disposition of the retiring operator's farm assets, in order to provide maximum retirement income, and if desired, a life-estate for the retiring farm couple in the use of their home;

Development in the community of special recreational land-use ventures or farm-enlargement that would create an opportunity for a more advantageous plan for disposing of the farmer's assets than the usual type of outright sale;

For those who are eligible, credit assistance under the Senior Citizens Housing Loan Program, either for rehabilitation and modernization, or construction of a new retirement home;





Development of community medical and nursing care facilities, with special provision for retired persons.

2. Recreational Land-Use Projects. Blocks of 2,000 to 5,000 acres or more would be developed for recreational use by urban people at a level of intensity about midway between the public park and the "hobby farm." Projects might be owned jointly by a group of urban users; or the project might be owned and operated by a rural public body or by commercial interest, with urban users paying for their privileges on a lease and fee basis. Projects would be developed to include:

"Summer home" sites, planned in accordance with good land use principles, with an acre or so of space accompanying each. Each family could have "a place of its own";

Sewer, water, and electrical facilities would be furnished centrally.

The major portion of the land and water resource would be developed for common use by all patrons for riding, forestry, wildlife, hunting, fishing, swimming and water sports, hiking, camping, etc., and would be managed by a full-time manager or caretaker;

The urban family would buy a user's right (or share) which would entitle the family to a summer home site, and to full access to the common land and water and other facilities of the project;

Cropland conversion payments and the regular array of USDA technical services would help to finance and to design the development of the project for the new use of the land and water.



This kind of project would appeal to urban people like those who have been buying "hobby farms" of 20 to 100 or more acres. It would be much more economical, much less difficult to manage, and much lower in cost per family than the individual "hobby farm," yet such a project would give each participating family access to a far greater extent of much better developed recreational land and water resources than is possible on an individual "hobby farm" within the financial reach of most families.

Important advantages of this approach are that it would draw upon private urban capital for the major portion of the capital cost of land acquisition, construction of buildings and facilities, and other developments, and that it would establish a positive and permanent channel for the flow of income from the urban community into the rural area.

3. Rural Low-Income Mutual Help Housing Improvement. Small groups of rural families in need of construction or rehabilitation of housing might be encouraged to form mutual help "do-it-yourself" housing associations.

The individual members might be eligible for varying Federal credit programs, and would be given guidance in selecting and applying for the assistance best suited to their needs.

The services of one or two VISTA volunteers could be secured to furnish supervision and technical guidance, and physically-able members of the association would work together, in a manner somewhat similar to the "Threshing ring" tradition, to perform the necessary construction and repair work on the houses of one after another of the participating families.





Possibly the Office of Economic Opportunity programs might be drawn upon to enable the participant and his family to subsist while the work is underway.

The association, functioning as a cooperative, might secure an Economic Opportunity loan from the Farmers Home Administration to enable members to secure materials and supplies at reduced cost.

An intensive program of household management counselling and training, conducted under the auspices of the war on poverty or by the home extension service, could be particularly effective if carried out concurrently.

In addition to the obvious advantage of improved housing that would result from such a project, participants would also obtain work experience, a gain in technical skill sufficient at least to improve their ability to care for their own property, instruction and experience in working together as a group, and probably a substantially elevated sense of their own worth and confidence in themselves.

This has been a general description of how we propose to help the Department of Agriculture to meet its increased responsibilities for rural problems.

However, I want to raise a note of caution. The limitations of the funds proposed in the budget for the forthcoming fiscal year will restrict our operations for the year ahead to only a few states, on a limited trial basis.

The budget for the fiscal year beginning next July 1 provides for establishment of offices in 20 states in addition to the three already serviced, each to be staffed by one man and a secretary. But it does not provide for





the additional staff that would be required in Washington to perform the planning and continuous liaison required with all the Federal agencies concerned, both outside and within the USDA, in connection with the "outreach" function. This responsibility was assigned to the Department of Agriculture after the budget for the forthcoming year had been submitted, and the cost of carrying it out is not reflected in the budget. We would require about 25 to 30 professional specialists in addition to those provided for in our budget, plus necessary clerical and secretarial assistance, in order to accomplish the consultations, planning, and continuous liaison required. Even if all of the additional personnel proposed in the budget for staffing RCDS field offices were to be diverted to work on liaison and planning assignments in Washington, we would not be able to meet the full staffing requirements to perform the "outreach" function, and then, of course, we would not have sufficient field force to insure the effectiveness of the operation in many of the states.

In view of these limitations, therefore, we would be able to contemplate only a small beginning in the year ahead, with application in the field restricted to a small number of states, unless additional manpower is provided.



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